

## Message Text

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ACTION IO-14

INFO OCT-01 ADP-00 PC-15 EB-11 AID-20 IGA-02 OMB-01 TRSE-00

HEW-08 OIC-04 AF-10 ARA-11 EA-11 EUR-25 NEA-10 RSC-01

CIAE-00 DODE-00 PM-07 H-02 INR-10 L-03 NSAE-00 NSC-10

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TAGS: EAID UNDP

SUBJ UNDP 16 TH GC- ITEM 4, ANNUAL REPORT  
OF THE ADMINISTRATOR FOR 1972

REFS A) GENEVA 3040 B) GENEVA A-352

1. SUMMARY: UNDP GOVERNING COUNCIL JUNE 20-21  
CONSIDERED AND TOOK NOTE OF ANNUAL REPORT OF ADMINISTRATOR  
FOR 1972 ( ITEM 4). MATTERS DISCUSSED IN COURSE OF  
EXTENDED DEBATE INCLUDED PERFORMANCE OF EXECUTING  
AGENCIES, CONTRACTING OUTSIDE OF UN SYSTEM, DISTRIBUTION  
OF SUB- CONTRACTS, LEADERSHIP AND COORDINATING ROLE OF  
UNDP IN UN DEVELOPMENT SYSTEM, AND ASSISTANCE BY UNDP  
TO PEOPLE IN LIBERATED TERRITORIES IN AFRICA. LATTER  
ITEM REPORTED REF ( A). FINLAND AND POLAND ANNOUNCED  
INCREASED PLEDGES. ADMINISTRATOR' S REPORT EXPECTED TO  
BECOME FOCUS FOR GENERAL POLICY DEBATE AT FUTURE SUMMER  
SESSIONS. END SUMMARY.

2. GOVERNING COUNCIL CONSIDERATION OF ADMINISTRATOR' S  
ANNUAL REPORT FOR 1972 EXTENDED THROUGH MOST OF THREE  
MEETINGS JUNE 20-21. ITEM WAS INTRODUCED BY ADMINISTRATOR  
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WHO, IN BRIEF REMARKS, SAID (1) HE HOPED TO MAKE 1973 REPORT MORE COMPREHENSIVE, (2) TIME REQUIRED FOR APPROVAL OF PROJECTS HAD BEEN CUT BY 50 PER CENT, BUT IMPLEMENTATION- WHICH IN HANDS OF EXECUTING AGENCIES AND RECIPIENT GOVERNMENTS- CONTINUED TO LAG, AND (3) HE HOPED TO REPORT TO 17 TH SESSION ON WHAT HAD BEEN LEARNED FROM COUNTRY PROGRAMMING.

3. DISCUSSION OF ITEM 4 LED OFF BY FINLAND, WHICH MADE STRONG STATEMENT CONCERNING INEQUITABLE DISTRIBUTION OF SUB- CONTRACT AWARDS. THIS - ALONG WITH AID TO LIBERATED TERRITORIES IN AFRICA ( REPORTED REF A) - BECAME MAJOR ITEM OF DEBATE. SOME 20 DELEGATIONS SPOKE ON THIS MATTER, WITH FRANCE UNNAMED TARGET OF ATTACK ( IN 1972 FRENCH FIRMS WERE AWARDED SUBCONTRACTS TALLING \$7.2 MILLION WHILE FRENCH CONTRIBUTION TO UNDP WAS ONLY \$6.5 MILLION). SEVERAL DELEGATIONS ( NORWAY, IRAQ, CHILE) SUGGESTED COUNTRIES RECEIVING HIGH LEVEL OF SUBCONTRACTS SHOULD MAKE SPECIAL EFFORT TO INCREASE CONTRIBUTIONS. OTHERS CALLED FOR AWARDED MORE SUBCONTRACTS TO LDC' S ( INDIA, UPPER VOLTA, YUGOSLAVIA, SUDAN) OR TO SOCIALIST COUNTRIES ( USSR, POLAND, ROMANIA, BULGARIA). US DELEGATE INSERTED EXTEMPORANEOUS REMARK IN PREPARED TEXT, ASSOCIATING US WITH POSITION EXPRESSED BY FINLAND AND NORWAY. FRENCH DELEGATE, IN PETUALANT DEFENSE, ASSERTED ALL CONTRACTS AWARDED ON BASIS OF COMEPTITIVE BIDDING AND FRANCE HAD EXERTED NO PRESSURE ON UNDP. ONLY ITALY CAME TO FRENCH DEFENSE, ASSERTING WHAT IT HAD TO OFFER MIGHT NOT BE BEST BUT WAS WHAT LDC' S NEEDED. IN RESPONSE TO DELEGATES SPEAKING ON THIS MATTER, JOHN OLVER, ASSISTANT ADMINISTRATOR FOR ADMINISTRATION AND FINANCE, POINTED OUT THAT AWARDED OF SUBCONTRACTS WAS IN HANDS OF EXECUTING AGENCIES. UNDP HAD TRIED, HE SAID, TO GET AGENCIES TO ACHIEVE BETTER GEOGRAPHIC SPREAD IN SUBCONTRACTING, BUT AGENCIES HAD DEFENDED HISTORIC PRACTICES AND PROGRESS HAD BEEN INSUFFICIENT. OLVER ASSURED COUNCIL THAT ADMINISTRATOR WAS AS DISSATISFIED WITH SITUATION AS COUNCIL AND WOULD " RENEW AND REDOUBLE" EFFORTS. FAO REPRESENTATIVE ASSERTED THAT, DESPITE PRESSURE ON FAO BY COUNCIL AND COMMITTEES TO ACHIEVE BETTER GEOGRAPHIC SPREAD IN SUBCONTRACTING, PROGRESS WAS DIFFICULT. REASON, HE CLAIMED, WAS UNCLASSIFIED

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THAT CONSENSUS HAD GIVEN GREATER ROLE TO RECIPIENT COUNTRIES, THEREBY REDUCING POWER OF EXECUTING AGENCIES OVER SUBCONTRACT AWARDS.

4. SEVERAL COUNTRIES ( FINLAND, FRG, INDIA, BRAZIL, LIBYA, SWEDEN) COMPLAINED OF FAILURE OF EXECUTING AGENCIES TO IMPROVE PROJECT IMPLEMENTATION. CHILE STATED THAT SITUATION

COULD BE IMPROVED IF AGENCIES WOULD COMPLY WITH CONSENSUS BY ESTABLISHING CENTRAL OPERATIONAL DEPARTMENTS TO HANDLE UNDP PROJECTS. FRG SUGGESTED THAT IF SITUATION NOT IMPROVED, GREATER USE BE MADE OF DIRECT CONTRACTING OUTSIDE UN SYSTEM. THIS OPENED DEBATE IN WHICH CHILE INVOKED CONSENSUS IN CALLING FOR OUTSIDE CONTRACTING ONLY AS LAST RESORT, WHILE AUSTRALIA POINTED OUT THAT CONSENSUS PROVIDED FOR OUTSIDE CONTRACTING.

5. AGAIN - BUCKING TIDE, CHILE ASSERTED THAT UNDP RES REPS MUST RESPECT DIRECT RELATIONSHIP BETWEEN AGENCY REPS AND GOVERNMENT MINISTERIES. CHILE JOINED IN DEFENSE OF EXECUTING AGENCIES ONLY BY FRANCE, WHICH ACCUSED UNDP OF " WILL TO POWER." SEVERAL DELEGATIONS ( FRG, NORWAY, NETHERLANDS, BRAZIL, JAPAN), HOWEVER, CALLED FOR GREATER ASSERTION BY UNDP OF COORDINATION AND LEADERSHIP FOLE.

6. SEVERAL DELEGATIONS ( CHILE, POLAND, INDIA, AUSTRIA, SWEDEN, ETHIOPIA) CALLED ON UNDP TO PLACE GREATER EMPHASIS IN ITS PROGRAMS ON PROJECTS PROMOTING FULL EMPLOYMENT AND SOCIAL JUSTICE. OTHERS STRESSED GREATER EMPHASIS ON EVALUATION AND FOLLOW- UP INVESTMENT. AID TO LEAST DEVELOPED COUNTRIES WAS ALSO STRESSED BY SEVERAL DELEGATIONS WITH REQUESTS FOR EFFORTS BEYOND TAKING ROUTINE PROJECTS FROM COUNTRIES' PROGRAM RESERVES AND WITH ANTICIPATION OF REPORT ON THIS SUBJECT TO BE MADE BY ADMINISTRATOR AT 17 TH SESSION. EASTERN EUROPEAN DELEGATIONS CALLED FOR GREATER UTILIZATION OF EXPERTS FROM SOCIALIST COUNTRIES, AND THEY WELCOMED DETENTE AND END OF VIET NAM WAR WITH RESULTANT OPPORTUNITIES FOR UNDP, ESPECIALLY IN ASIAN REGION. CHILE AND BRAZIL QUESTIONED WHETHER NEW HEADQUARTERS ORGANIZATION - I. E., ROLE OF DEPUTY ADMINISTRATORS VIS- A- VIS ASSISTANT ADMINISTRATORS DIRECTING REGIONAL BUREAUS - WAS CONSISTENT WITH SPIRIT

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OF DECENTRALIZATION IN CONSENSUS.

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7. TWO DELEGATIONS TOOK OPPORTUNITY TO ANNOUNCE INCREASES TO PLEDGES. FINLAND ANNOUNCED THAT ITS PLEDGE FOR 1973 WOULD BE \$3.9 MILLION ( VIS- A- VIS \$3.5 MILLION FOR 1972). POLAND ANNOUNCED PLANNED INCREASE IN 1974 TO \$806,000 ( VIS- A- VIS \$661,500 FOR 1973).

8. US DELEGATE MADE STATEMENT STRESSING FOUR THEMES: MANAGEMENT POLICY, PROGRAM DESIGN AND EVALUATION, RELATIONSHIP BETWEEN ADMINISTRATION AND COUNCIL, AND ASSISTANCE TO LEAST DEVELOPED COUNTRIES. POINTING TO EXTENDED RES REP VACANCIES IN SEVERAL LEAST DEVELOPED COUNTRIES, TO INCREASING NEED FOR SOPHISTICATED PLANNING SKILLS, AND TO POSSIBLE NEED FOR SHORT TERM APPOINTMENT OF HIGH LEVEL TECHNICIANS, US DELEGATE CALLED FOR CAREER SERVICE SUFFICIENTLY FLEXIBLE TO MEET SUCH DIVERSE REQUIREMENTS. POINTING TO DELAYS IN IMPLEMENTATION OF PROJECTS DUE TO LACK OF CAPABILITY IN UN SYSTEM, US DELEGATE ALSO CALLED FOR GREATER USE OF CONTRACT MECHANISM. WITH RESPECT TO PROJECT IMPLEMENTATION PER SE, US DELEGATE CALLED FOR GREATER EFFORT BY ADMINISTRATION AND DEVELOPING COUNTRIES IN FIELD OF PROJECT DESIGN, COORDINATION, AND EVALUATION AND MONITORING. HE STRESSED NEED FOR MORE VIGOROUS EFFORT TO WEED OUT marginally productive

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ACTIVITIES, TO CORRECT INEVITABLE PROBLEMS, TO IDENTIFY EXPECTED RESULTS, TO MEASURE PROGRESS, AND TO ACHIEVE COORDINATION BOTH WITHIN UN SYSTEM AND BETWEEN UN SYSTEM AND OTHER DONORS. WITH REGARD T RELATIONSHIP BETWEEN UNDP ADMINISTRATION AND GOVERNING COUNCIL, US DELEGATE SAW NEED TO REVISE COUNCIL PROCEDURES SO THAT IT COULD GIVE MORE ATTENTION TO BROAD POLICY MATTERS RATHER THAN BECOMING DROWNED IN DETAIL. HE CALLED UPON ADMINSTRATOR TO

PRESENT TO COUNCIL AT FUTURE SESSION PROPOSALS FOR MORE EFFECTIVE CONSULTATION BETWEEN ADMINISTRATION AND MEMBERS OF COUNCIL. FINALLY, WITH REGARD TO ASSISTANCE TO LEASE DEVELOPED COUNTRIES, US DELEGATE CALLED FOR ASSIGNMENT OF MOST ABLE RESIDENT REPRESENTATIVES AND STAFF TO THOSE COUNTRIES AND FOR SPECIAL ACTIVITIES WHICH ARE TRULY SPECIAL, I. E., A LIMITED RANGE OF DRAMATIC EFFORTS WHICH WILL DIRECTLY AND IMMEDIATELY STIMULATE DEVELOPMENT. IN CONCLUSION, US DELEGATE STATED THAT UNDP HAD EARNED RIGHT TO BE CONSIDERED A MAJOR FACTOR IN WORLD DEVELOPMENT AND HOPED THAT ADMINSTRATOR, SUPPORTED BY COUNCIL WOULD LEAVE NO STONE UNTURNED IN FINDING NEW AND MEANINGFUL APPROACHES TO CONSOLIDATION AND QUALITATIVE UPGRADING OF PROGRAM. HE ASSURED FULLEST US COOPERATION AND COORDINATION WITH UNDP AND OTHER DONORS IN SPEEDING WORLD DEVELOPMENT PROCESS. FULL TEXT OF US DEL STATEMENT TRANSMITTED REF B.

9. RESPONDING TO COUNCIL DEBATE, ADMINISTRATOR MADE FOLLOWING POINTS:

(A) HE HAS DEFINITE PLANS TO SUBMIT ANNUAL REPORT FOR 1973 AT LEAST SIX WEEKS IN ADVANCE OF COUNCIL SESSION - BUT CAN ONLY DO SO IF EXECUTING AGENCIES PROVIDE NECESSARY DATA BY APRIL 15. HE WILL INCLUDE IN REPORT ADDITIONAL ITEMS, THEREBY MAKING REPORT FOCAL POINT FOR GENERAL POLICY DEBATE AND REDUCING AGENDA.

(B) EFFORTS WITH EXECUTING AGENCIES TO IMPROVE DISTRIBUTION OF AWARDS FOR SUBCONTRACTS AND EQUIPMENT PURCHASES HAVE MET WITH LESS THAN SUCCESS BUT WILL CONTINUE.

(C) OFFICE IN UNDP TO HANDLE DIRECT CONTRACTING HAS ALREADY PROVEN SUCCESS. WHILE OFFICE WOULD HANDLE ONLY EXCEPTIONAL PROJECTS, THERE WERE IN FACT PROJECTS WHICH UN EXECUTING AGENCIES COULD NOT HANDLE OR CONTINUE TO HANDLE.

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(D) UNDP HEADQUARTERS ORGANIZATION IS CONSISTENT WITH THE CONSENSUS. TWO DEPUTY ADMINISTRATORS AND FIVE ASSISTANT ADMINSTRATORS FORM ADMINISTRATOR'S CABINET AND ALL HAVE DIRECT ACCESS TO HIM.

(E) HE IS MAKING CONTINUOUS EFFORTS TO REDUCE ADMINISTRATIVE OVERHEAD, PARTICULARLY WITH RESPECT TO CENTRALIZED HEADQUARTERS OFFICES.

(F) HE HAD BELIEVED IT PREFERABLE TO LEAVE A LIMITED NUMBER OF POSTS OPEN UNTIL PROPER HIGH LEVEL PERSONNEL COULD BE FOUND. THE SITUATION HAD BEEN EXACERBATED BECAUSE HIS EVALUATION OF UNDP PERSONNEL HAD NOT BEEN COMPLETED AND HIS NEW RECRUITMENT PROCEDURES HAD NOT YET BEEN PUT INTO EFFECT. ALL POSTS WOULD BE FILLED WITHIN A COUPLE OF MONTHS, HOWEVER. NEVERTHELESS, HE AGREED WITH THE US CONCERNING NEED FOR SPECIAL TALENTS AND THAT THERE WAS ROOM FOR PEOPLE TO BE BROUGHT IN FROM

OUTSIDE ON A LIMITED SHORT TERM BASIS.

(G) ADMINISTRATOR COMMENTED THAT FRENCH CHARGE OF "WILL TO POWER" WAS STRONG LANGUAGE. THE UNDP'S WORLD WIDE STRUCTURE OFFERED OPPORTUNITIES AND ITS COORDINATION ROLE WAS CONSISTENT WITH THE CONSENSUS. OF COURSE COORDINATION COULD ONLY BE UNDERTAKEN WITH THE CONSENT OF GOVERNMENTS CONCERNED.

(H) IMPLEMENTATION AND EVALUATION PERFORMANCE IN 1972 WAS ABOUT ON A PAR WITH 1971- WHICH WAS NOT GOOD ENOUGH. IN SOME CASES EXECUTING AGENCIES HAD SET UNREALISTIC GOALS WHICH THEY COULD NOT MEET. HE WAS JUST COMPLETING A NEW AND INTEGRATED APPROACH TO MONITORING AND EVALUATION.

(I) THE LEAST DEVELOPED COUNTRIES WOULD RECEIVE HIS PRIME ATTENTION. HE WAS TRYING TO MAKE AVAILABLE THE BEST PERSONNEL, AND PROJECTS PROVIDED UNDER SUPPLEMENTAL FUNDS WOULD BE EXAMINED CAREFULLY TO SEE THAT THEY MET THE PARTICULAR NEEDS OF THE RECIPIENTS.

10. COMMENT: CONSIDERATION OF ANNUAL REPORT OF ADMINISTRATOR, PREVIOUSLY A ROUTINE MATTER AROUSING LITTLE DEBATE, HAS MOVED TOWARD BECOMING FOCAL POINT FOR COUNCIL CONSIDERATION OF GENERAL POLICY QUESTIONS. IT WAS MADE CLEAR AT THIS SESSION THAT SUCH IS COUNCIL'S DESIRE IN ORDER TO PROVIDE OPPORTUNITY FOR CONSIDERATION OF MAJOR POLICY QUESTIONS AND TO SHORTEN OVERALL AGENDA. BASSIN

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## Message Attributes

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